

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 16-11700-smb

4 - - - - - x

5 In the Matter of:

6

7 GAWKER MEDIA, LLC,

8 Debtor.

9 - - - - - x

10 Case No. 16-12239-smb

11 - - - - - x

12 In the Matter of:

13

14 NICHOLAS G. A. DENTON,

15 Debtor.

16 - - - - - x

17 Adv. Case No. 16-01248-smb

18 - - - - - x

19 BOLLEA,

20 Plaintiff,

21 v.

22 DENTON,

23 Defendants.

24 - - - - - x

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1 U.S. Bankruptcy Court
2 One Bowling Green
3 New York, NY 10004
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5 December 15, 2016

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21 B E F O R E :
22 HON STEWART M. BERNSTEIN
23 U.S. BANKRUPTCY JUDGE
24

25 ECRO: TB

1 Hearing re: 16-11700-smb Status Conference Re: Huon Claims
2 Objection

3
4 Hearing re: 16-11700-smb First Interim Application of Prime
5 Clerk LLC as Administrative Advisor to the Debtors for the
6 Period from 6/10/16 through 9/30/16.

7
8 Hearing re: 16-11700-smb First Application for Interim
9 Professional Compensation - First Interim Application of
10 Simpson Thatcher & Bartlett LLP for Approval and Allowance
11 of Compensation for Services Rendered and Reimbursement of
12 Expenses Incurred for Official Committee of Unsecured
13 Creditors of Gawker Media LLC, et al., Other Professional,
14 period: 6/24/2016 to 9/30/2016, fee:\$1,216,165.75, expenses:
15 \$23,586.99.

16
17 Hearing re: 16-11700-smb First Interim Application of
18 Cahill Gordon & Reindel LLP as Special Litigation Counsel to
19 the Debtors for the Period from 6/10/16 through 9/30/16.

20
21 Hearing re: 16-11700-smb First Interim Application of Ropes
22 & Gray LLP as Attorneys for the Debtors for the Period from
23 6/10/16 through 9/30/16.

24
25 Hearing re: 16-11700-smb First and Final Fee Application of

1 Houlihan Lokey Capital, Inc. as Investment Banker to the
2 Debtors for the period from June 10, 2016 Through September
3 30, 2016.

4
5 Hearing re: 16-11700-smb First Application of Brannock &
6 Humphries as Special Litigation Counsel to the Debtors and
7 Debtors in Possession for the Period from June 10, 2016,
8 Through September 30,2016 for Brannock & Humphries, Special
9 Counsel

10
11 Hearing re: 16-11700-smb First Interim Fee Application of
12 Citrin Cooperman & Company, LLP as Independent Auditor and
13 Accounting Services Provider for the Debtors and Debtors in
14 Possession for the Period from June 10, 2016 Through
15 September 30, 2016

16
17 Hearing re: 16-11700-smb First Application for Interim
18 Professional Compensation First Application of Levine
19 Sullivan Koch & Schulz, LLP as Special Litigation Counsel
20 for the Debtors and Debtors in Possession for Allowance of
21 Compensation and for the Reimbursement of Expenses for the
22 Period from June 10, 2016 Through September 30,2016 for
23 Levine Sullivan Koch & Schulz, LLP, Special Counsel, period:
24 6/10/2016 to 9/30/2016, fee: \$299,783.77, expenses:
25 \$9,144.63.

1 Hearing re: 16-12239-smb Status Conference Re: Huon Claims
2 Objection

4 Hearing re: 16-12239-smb Case Conference

6 Hearing re: 16-01248-smb Pre-trial Conference

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25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

2

3 COLE SCHOTZ P.C.

4 Attorney for Gawker Media & Nick Denton

5 Court Plaza North

6 25 Main Street

7 Hackensack, NJ 07601

8

9 BY: WARREN A. USATINE

10

11 ROPES & GRAY LLP

12 Attorney for Gawker Media

13 1211 Avenue of the Americas

14 New York, NY 10036

15

16 BY: GREGG M. GALARDI

17

18 CAHILL GORDON & REINDEL LLP

19 80 Pine Street

20 New York, NY 10005

21

22 BY: SUSAN BUCKLEY

23

24

25

1 COHEN & GRESSER LLP
2 Attorney for Terry Bollea
3 800 Third Avenue
4 New York, NY 10022
5

6 BY: DANIEL H. TABAK
7

8 ALSO PRESENT TELEPHONICALLY:
9

10 MEANITH HUON

11 TAYLOR B. HARRISON

12 ALEX MCGEE

13 SANDY QUSBA
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1 P R O C E E D I N G S

2 THE COURT: Gawker.

3 MR. GALARDI: Good morning, Your Honor.

4 THE COURT: Good morning.

5 MR. GALARDI: Gregg Galardi on behalf of the
6 Gawker debtors. For convenience, I think we should go
7 through the agenda in the order of the amended agenda.

8 THE COURT: Did you file an agenda? I don't think
9 I have it.

10 MR. GALARDI: Yeah, we did back on -- I will hand
11 up. If I might approach.

12 THE COURT: Yes. Thank you.

13 MR. GALARDI: So, Your Honor, the first matter on
14 the agenda is a status conference. I don't know Mr. Meanith
15 Huan is on the phone.

16 THE COURT: Yeah, the Denton estate is also on
17 (indiscernible).

18 MR. HUON: I'm on the phone, Judge.

19 THE COURT: So I'll deal with the Dent -- I'll
20 deal with both of these at the same time.

21 MR. GALARDI: That's what I was going to ask, Your
22 Honor.

23 THE COURT: All right, Mr. Huon, this is a status
24 conference on your claims in both the Denton estate and the
25 Gawker estate. But my understanding is they've been

1 resolved.

2 MR. GALARDI: Yes, Your Honor. As I mentioned --

3 MR. HUON: Yes, Judge.

4 MR. GALARDI: As I mentioned at the confirmation
5 hearing and I've spoken to Mr. Huon again yesterday. As put
6 on the record at the confirmation hearing, we have agreed to
7 settle the Gawker Media estate, which will also settle the
8 claims against Mr. Denton, for the payment of \$100,000. We
9 will make that payment with respect to that claim before
10 year end.

11 And I believe there is a status conference in the
12 Illinois court, and we've agreed that we will advise the
13 Court that there is a pending settlement and will take care
14 of the remaining matters once the settlement payments have
15 been made.

16 THE COURT: When will I get the confirmation
17 order?

18 MR. GALARDI: It was filed last night.

19 THE COURT: All right, okay. Any questions, Mr.
20 Huon?

21 MR. HUON: No, Judge. Thank you for letting me
22 appear by phone. I'm sorry I didn't file an appearance
23 earlier. You know, it's (indiscernible) motion. But, yes,
24 we settled for \$99,999.99, so thank you, Judge.

25 THE COURT: Sounds close enough, okay.

1 MR. HUON: Okay.

2 THE COURT: Thank you very much.

3 MR. HUON: Thank you, Judge. May I be excused,
4 Judge?

5 THE COURT: Yes.

6 MR. HUON: Thank you. All right, have a nice day.

7 MR. GALARDI: Your Honor, the next matter on the
8 agenda are a series of fee applications, one of which is
9 final, which is the Houlihan Lokey, and the others are
10 interim fee applications for the Debtors and the committees'
11 professionals.

12 Your Honor, pursuant to Your Honor's earlier
13 orders, the fee applications have been submitted and there
14 was a 20 percent holdback. After conversations with the
15 United States Trustee, subject to Your Honor's approval, the
16 U.S. Trustee has agreed that there only needs to be a 5
17 percent holdback with respect to what's already been
18 approved.

19 The professionals, including my firm, have also
20 have, I think, November and will have December outstanding.
21 Given this -- given what has occurred in the case, we would
22 ask Your Honor to approve those. I can give Your Honor
23 numbers with respect to each of the professionals.

24 THE COURT: I have some problems with a couple of
25 these.

1 MR. GALARDI: Okay.

2 THE COURT: I was looking at the Cahill
3 application.

4 MR. GALARDI: Okay.

5 THE COURT: First of all, there's no project
6 billing; they just include monthly fee statements. But it
7 looks like the entire application is related to retention
8 issues and editing time records.

9 MR. GALARDI: Your Honor, Ms. Buckley is here.
10 With respect to that, and that was one of our concerns in
11 the beginning of the case because this relates to a
12 settlement Your Honor will hear on the end of this month
13 with Malmedia. Most of that, that was because they had to
14 file the fee application and do the time detail they have
15 been negotiating and had previously negotiated the Malmedia.
16 So in some of these instances, with the small professionals
17 that are on a unique matter, the fee application process is
18 actually more expensive than the work being performed by it.

19 THE COURT: Well --

20 MR. GALARDI: I estimate --

21 THE COURT: You know, there's got to be some
22 proportion though. I think, looking at the total
23 application, you know, I looked through the term records.
24 And because there's no -- it's done by month to month and
25 there's no project bullet, and the only projects are the

1 litigation itself and the settlement, the retention work,
2 and the preparation of the monthly bills. It's all they
3 did. It's very hard to determine the proportion of work
4 that went to editing time records, which is not compensable,
5 or preparing monthly bills. They don't have to seek monthly
6 bills; that's for their convenience. But it's not intended
7 to increase the amount of legal fees in the case.

8 MR. GALARDI: Understood, and we've had
9 conversation with Cahill. And, Your Honor, I mean, I think
10 the -- and I hate to go back to the first day and I know
11 they honor -- but this is one of the reasons that we're
12 seeking to have ordinary course. I know that's improper,
13 but for exactly the reason --

14 THE COURT: Well, this is a good reason not to
15 have ordinary course.

16 MR. GALARDI: Well, actually I think it's --

17 THE COURT: You need someone to review them. All
18 right, look, I will adjourn this one. But I do need -- it's
19 not a long timeframe, but I do need just some project
20 billing on those three projects. I want to see the amount
21 of time that was spent looking at time records, reviewing
22 bills, on retention matters, and how much was really spent
23 on the underlying litigations.

24 MR. GALARDI: Okay, Your Honor.

25 THE COURT: I'm confident Cahill knows how to do a

1 -- you know, a retention application.

2 MR. GALARDI: Sure.

3 THE COURT: Yes?

4 MS. BUCKLEY: Your Honor, Susan Buckley here from
5 Cahill. I can address some of these issues.

6 THE COURT: Well, it's just a question of my being
7 able to read the application and understand this. It's
8 going well and you're sending monthly bills and everything
9 is monthly to the bills. You didn't do a lot I know, but it
10 would be helpful to know, for example, how much time was
11 actually spent preparing the retention application. I
12 noticed in the bills, and it's more so in a couple of the
13 other ones, the amount of time that was spent reviewing the
14 time records or preparing monthly bills and things like
15 that, so that you get paid on a monthly basis. That's fine
16 if you want to be paid on a monthly basis, but that's for --
17 as I said, that's for the professionals. That's not
18 designed to increase the amount of legal fees; it's not
19 required by the bankruptcy code, as opposed to a fee
20 application at the end of the case.

21 And these are issues I have with this one and
22 there's other one that I have the same issue with. So what
23 I'm going to ask you to do is just divide it into project
24 categories. I'm sure Mr. Levitan knows what I'm talking
25 about. And it'll be simple enough to present it that way so

1 I'll have an idea of how much time was spent.

2 MS. BUCKLEY: If I may, Your Honor, the problem
3 with these -- this particular submission is the case was
4 largely negotiated and settled days before Gawker filed
5 bankruptcy. The settlement --

6 THE COURT: Well, how much time did you spend on
7 the litigation?

8 MS. BUCKLEY: The litigation started about a year
9 before the Gawker bankruptcy.

10 THE COURT: And how much do you think your firm
11 billed on that? I'm just trying to get a sense of the
12 proportion of the amount of time preparing fee applications
13 and the amount of time doing the actual legal work to which
14 the applications pertain.

15 MS. BUCKLEY: Well, the fee application was a
16 minor portion of the entire litigation.

17 THE COURT: No, I understand that, because you got
18 to -- because it only related to the tail end of the
19 litigation.

20 MS. BUCKLEY: Yes.

21 THE COURT: But what I'm suggesting is if you did
22 a lot of work and this was just, you know, the end of the
23 day that you billed \$50 million on the litigation, then
24 maybe \$20,000 for a fee application to just finish it off
25 isn't unreasonable. On the other hand, if I see you did

1 \$5,000 worth of work, but you're seeking compensation for --
2 I don't know anything else about the case --

3 MS. BUCKLEY: Well, we can certainly --

4 THE COURT: Let me finish. And you're seeking
5 \$20,000 for preparing a fee application, that strikes me as
6 a little unreasonable.

7 MS. BUCKLEY: No, the case was -- I doubt it went
8 that it went into the millions, but it was certainly --

9 THE COURT: Why don't we do this. I'll allow 50
10 percent of it, subject to review at the end of the case.
11 But please give me time records that I can review at the end
12 of the case to make that determination. And you can amplify
13 your final fee application by just explaining all the work
14 that was involved, and that this was just the tail end of a
15 long and expensive litigation.

16 MS. BUCKLEY: We can certainly do that, Your
17 Honor.

18 THE COURT: All right. So I'll allow 50 percent
19 on an interim basis on that one, 100 percent of the expenses
20 on an interim basis, all subject for review at the end of
21 the case.

22 With respect to the Florida counsel that were
23 retained. First of all, I want to make sure that there was
24 that allocation that was required under the order.

25 MR. GALARDI: Yes, Your Honor, they did. In fact,

1 this is only the allocation with respect to the estate. I
2 have fee applications with respect to the balance of the
3 parties. They all apologize, but, again, given the
4 expensive travel and we didn't get them on CourtCall early
5 enough, they're not attending today.

6 THE COURT: That's fine. I have a similar comment
7 with the Brannock & Humphries fee application. If I look at
8 the work that was done -- so that's the invoice through
9 September 30th, let me just check. Yeah, it's almost all
10 reviewing time records and retention orders, and there is no
11 project going. So I'll do the same thing I did with the
12 other, with the Cahill order. I'll allow 50 percent on an
13 interim basis, 100 percent of the expenses on an interim
14 basis, but they have to break it down by project. And I
15 know there was only one project, but here was other work
16 that was done.

17 And, again, there's a lot of time spent on
18 retention issues, monthly submissions and editing bills, you
19 know, just -- other than reviewing the bills to make sure
20 that no privileged information is being disclosed. And I
21 don't understand why lawyers can't prepare time records that
22 don't disclose confidential or secret information. But
23 short of that, it's not compensable, in my view.

24 With respect to the rest of the applications, I'll
25 abide by the U.S. Trustee's recommendation. I'll allow 95

1 percent on an interim basis -- we'll get to the final one in
2 a minute -- and 100 percent of the -- oh, I'm sorry.

3 MR. GALARDI: No, Your Honor.

4 THE COURT: And 100 percent of the expenses on an
5 interim basis, subject to review at the end of the case.
6 Now, Houlihan was?

7 MR. GALARDI: Houlihan was a fee app -- a final
8 fee application, Your Honor, with respect to their
9 engagement. The U.S. Trustee has asked about the
10 calculation of the fees; so did the committee. The fee had
11 been calculated in accordance with Your Honor's order that
12 approved the Houlihan fee application.

13 THE COURT: Was this based on the sale?

14 MR. GALARDI: This was based on the sale and on
15 the DIP fee. There was two fees involved in that one, Your
16 Honor. There was about a million on the DIP fee, and then
17 there was another, about four or four and a half -- I think
18 it's a \$4 million fee with respect to the sale and the
19 access price. And as Your Honor, from the confirmation
20 order, you understand what that excess price enabled us to
21 do in this case.

22 THE COURT: Well, is there still an issue about
23 the computation of the fee?

24 MR. GALARDI: No, there isn't. It is what it is.

25 THE COURT: Is the committee --

1 MR. ZIPES: No issue, the committee
2 (indiscernible).

3 THE COURT: All right, then I'll allow the fee on
4 a final basis and the expenses on a final basis.

5 MR. GALARDI: And there was a compromise, just for
6 the record, Your Honor, on the fees after the U.S. Trustee -
7 - on the expenses, I'm sorry -- after the U.S. Trustee
8 inquired with respect to that.

9 THE COURT: What did they get down to?

10 MR. GALARDI: Do you remember about the
11 calculations? I don't have the number.

12 MR. ZIPES: There was some travel time and some
13 meals, Your Honor.

14 THE COURT: So they're getting \$5 million, and you
15 got them taking a private car instead of the subway?

16 MR. ZIPES: Your Honor, it's -- yes.

17 THE COURT: Good job. All right, you can submit
18 an order.

19 MR. GALARDI: Thank you, Your Honor. I turn it
20 over to --

21 MR. ZIPES: The United States, one issue.

22 THE COURT: Oh, sure.

23 MR. ZIPES: Just with the -- with two of these fee
24 applications, I think the Court made a ruling with respect
25 to 50 percent. And it's not usually for me to defend fees,

1 but I think they've already been paid 80 percent, so I just

2 --

3 THE COURT: Well, they don't have to pay anything
4 back, but let's just leave it the way it is.

5 MR. GALARDI: Your Honor.

6 THE COURT: Is there any more work in Florida for
7 these lawyers?

8 MR. GALARDI: Your Honor, I don't believe there's
9 going to, other than the mechanics of getting the matters
10 dismissed and of that sort of thing.

11 THE COURT: Oh, another thing I noticed in a
12 couple of these Florida applications are, I never granted
13 relief from the stay, right?

14 MR. GALARDI: Correct.

15 THE COURT: Yet, there seems to be a lot of work
16 done. And I understand the work initially in June when the
17 case was filed, but in July/August/September, relating to
18 stays, and I don't know the estates are being billed for
19 that.

20 MR. GALARDI: Your Honor, I believe that -- and
21 I'll go back and look at it -- but all of that work was
22 probably, especially in the Levine application, related to
23 the preliminary injunction stay work. And then there were -
24 - there were still proceedings going on that Mr. -- well, it
25 shouldn't be in on their compensation. But the estate was

1 dealing with potential motions to lift stay issues, so I
2 think that's going to be mostly consulting. I will have
3 them clarify that on the next fee application.

4 THE COURT: All right.

5 MR. GALARDI: So that we look back at that time.

6 THE COURT: All right, thank you.

7 MR. GALARDI: Thank you.

8 MAN 1: Your Honor, thank you. I assumed that
9 since facts or your fee application is covered by your prior
10 ruling.

11 THE COURT: Yes.

12 MAN 1: Thank you. We had been speaking with U.S.
13 Trustee on efficiency for final fee applications. Two of
14 our professionals are law firms, foreign law firms -- one is
15 in the Cayman Islands, one is in Hungary -- and they were
16 retained earlier in these cases to handle lien
17 investigations. Relatively di mimimis work, they've
18 submitted fee statements. Between the two firms, it comes
19 out to just under \$35,000.

20 We've spoken with the U.S. Trustee because we're
21 sensitive to the cost of a final fee application. And I
22 believe the U.S. Trustee was comfortable with a very short
23 form submission for their final fee app, so we avoid running
24 up incremental costs. But we wanted to obviously speak with
25 Your Honor before we either incur those costs or take that

1 approach.

2 THE COURT: So you want an advisory opinion?

3 MAN 1: I think we're looking for guidance, Your
4 Honor. We don't want to waste money and the state resources
5 if we don't have to.

6 THE COURT: Why don't you try out the U.S.
7 Trustee's language and see if we have an issue.

8 MAN 1: Very good, Your Honor, appreciate that.

9 MR. ZIPES: And, Your Honor, I think in light of
10 what you just stated about project billing, we should
11 explore that issue as well with these time records.

12 THE COURT: Yeah. Well, if it's only \$35,000,
13 that's one thing.

14 MR. ZIPES: Between two firms, Your Honor.

15 THE COURT: Particularly when you have firms that
16 don't do a lot of bankruptcy work, but just send monthly
17 bills, and it's very hard to figure out what they've done.
18 All right.

19 MR. ZIPES: Thank you, Your Honor.

20 MR. GALARDI: Your Honor, the last two matters on
21 the agenda were adjourned matters. One was that Mr.
22 Johnson, today was going to be a status conference on his
23 claim. I think Your Honor has already granted relief to
24 adjourn that matters, and the Got News matter over to
25 January 26th.

1 Your Honor, there are two other matters that are
2 on for -- we have a hearing on January -- on December 29th.
3 One was the 2004 examination of Mr. Thiel, and then the
4 other was A.J. Daulerio, who was a defendant in one of the
5 Florida actions, has a claims objection. Your Honor, we
6 could make a request to the Court by way of email, but I
7 thought I would request that those matters also be adjourned
8 over to the January 26th date so we can file a notice of
9 adjournment. We're in conversations with Mr. Thiel's
10 counsel about whether we resolve that, and Mr. Daulerio's
11 claim should be resolved consensually by that time with
12 respect to the fees.

13 THE COURT: Is there any objection to the other
14 parties to the adjournment? So Mr. Thiel --

15 MR. GALARDI: No, we've spoke with both counsel --
16 Skadden, Arps -- on Mr. Thiel and Mr. Daulerio's counsel.

17 THE COURT: That's fine. Just inform my chambers--
18 -

19 MR. GALARDI: Thank you, Your Honor.

20 THE COURT: -- so that it gets puts on the
21 calendar.

22 MR. GALARDI: Your Honor, that concludes our
23 matters.

24 THE COURT: Right. In our haste, I missed the
25 Denton matters. We're going to get that. Now that you have

1 a better idea of where Mr. Denton stands, when will you be
2 able to file a plan?

3 MR. TABAK: We expect to file a plan probably in
4 January. We could file it potentially between now and then,
5 but he's not going to get his distributions until then. And
6 so, and this is also not advisory opinion request, it's
7 guidance.

8 THE COURT: I'm not sure what the difference is.

9 MR. TABAK: There is one remaining, but contingent
10 claim, but it's with the Gawker estate. They're the only
11 party that still has a proof of claims by extension deadline
12 out there we expect will --

13 THE COURT: Which Gawker is that?

14 MR. TABAK: It's the Gawker --

15 THE COURT: Media?

16 MR. TABAK: Mr. Galardi's estate.

17 MR. GALARDI: Your Honor, with respect to the --
18 under our plan -- and we've done an investigation with Mr.
19 Denton -- we will not be pursuing any claims other than the
20 repayment of the \$200,000 loan with interest. So we will
21 have to resolve that. That is the only real remaining
22 matter left from us.

23 THE COURT: What is there to resolve?

24 MR. TABAK: The only thing there to resolve is
25 that Mr. Denton has a stub indemnification claim that

1 survived the release of indemnifications under the Gawker
2 plan.

3 THE COURT: Yeah, but this is a loan
4 (indiscernible) indemnified by his bar (indiscernible)
5 lender?

6 MR. TABAK: Sorry?

7 THE COURT: He gets indemnified by his lender?

8 MR. TABAK: No, no. He also has claims over to
9 the Gawker estate for some of the fees that were incurred
10 pre his filing by Florida counsel, and so we're going to try
11 to work all that at the same time.

12 THE COURT: All right.

13 MR. TABAK: So back to guidance. You know,
14 assuming we're able to file a 100-cent plus interest case
15 that doesn't require any validating.

16 THE COURT: A very simple disclosure statement.

17 MR. TABAK: A very simple summary disclosure
18 statement.

19 THE COURT: Then you'll get to tell everybody how
20 you're going to pay the claim this way.

21 MR. TABAK: Yeah, and potentially combined with
22 the confirmation hearing.

23 THE COURT: Although I have to give preliminary
24 approval to the disclosure statement.

25 MR. TABAK: Yeah.

1 THE COURT: I guess I could have it at the same
2 time if there's no validating.

3 MR. TABAK: If there's no validating. That was my
4 point exactly. But, actually, I'm going to confer with Mr.
5 Zipes to make sure he's comfortable with the procedure that
6 we're going to propose; then we'll roll it out to Your
7 Honor.

8 THE COURT: At least get the money in your
9 account. I don't know what the problem is.

10 MR. TABAK: Sorry?

11 THE COURT: As long as the money is in your
12 account.

13 MR. TABAK: The money will be the account by the
14 time we come before you.

15 THE COURT: Now, can I mark Bollea v. Denton off?

16 MR. TABAK: Okay, so Bollea v. Denton, which we
17 also had a status conference in, is the 523 action. We have
18 our own separate settlement agreement with Bollea. As you
19 recall from Mr. Galardi on Tuesday, the \$10 million punitive
20 damage award was not resolved through the Gawker settlement;
21 that remained.

22 We had to negotiate our own separate agreement
23 with Mr. Bollea that dealt with, you know, how the content,
24 if any, came into Mr. Denton's possession, so forth and so
25 on, was to be treated.

1 And also resolving for no incremental
2 consideration, cash consideration, the \$10 million punitive
3 award. We have a signed agreement that we're either going
4 to present to Your Honor under 9019 for approval of -- or
5 more likely bake into our plan.

6 And so, we do have this adversary proceeding
7 outstanding. We've already extended the time for us to
8 answer; we obviously don't want to have to answer. And so,
9 I think what we'll do, unless Your Honor has an objection,
10 is just stipulate an answer date that goes far beyond,
11 hopefully, what the time we can (indiscernible).

12 THE COURT: That's fine. When is the next Gawker
13 omnibus date?

14 MR. GALARDI: We have December 29th and January
15 65th.

16 THE COURT: All right, I'll adjourn the Denton
17 matters to January 26th.

18 MR. TABAK: Okay.

19 THE COURT: Hopefully by then you'll have your
20 distribution and you'll apply the plan.

21 MR. TABAK: That's correct. The other contingent
22 litigation claims against Mr. Denton. I (indiscernible)
23 obviously settled this part of the Gawker plan, although we
24 do have our own separate agreement just memorializing that
25 Mr. Denton is also released. Awaiting signature pages on

1 that, but that should be done. Mr. Huon, I guess,
2 technically, there was also the return date of our claim
3 objection from Mr. Huon. I know he's no longer on the
4 phone, but Mr. Galardi's settlement also settles any
5 liability for Mr. Denton. And so those were our contingent
6 claims. The rest are going to be the as-scheduled or proof
7 of claim that we're not going to oppose claims in his
8 estate, so we should be able to deal with those through a
9 plan that we file.

10 THE COURT: Denton is not involved in the Johnson?

11 MR. TABAK: He is not involved in the Johnson
12 case.

13 MR. GALARDI: And, Your Honor, as part of the
14 Johnson settlement, they did agree with respect to any
15 potential defendants, they're not pursuing those defendants.
16 That's solely with respect to Gawker Media only.

17 THE COURT: Okay, all right. All right, then,
18 thank you very much.

19 MR. TABAK: Thank you, Your Honor.

20 MR. GALARDI: Thank you, Your Honor.

21 (Whereupon these proceedings were concluded at
22 10:43 AM)

23

24

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C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.

Sonya
Ledanski Hyde

Digitally signed by Sonya Ledanski Hyde
DN: cn=Sonya Ledanski Hyde, o=Veritext,
ou, email=digital@veritext.com, c=US
Date: 2016.12.19 15:12:49 -05'00'

Sonya Ledanski Hyde

Veritext Legal Solutions

330 Old Country Road

Suite 300

Mineola, NY 11501

Date: December 29, 2016